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ARIZONA CORPORATION COMMISSION

November 21, 2003

AZ CORP COMMISSION

Mr. Ted Dansby 14206 West Dusty Trail Blvd. Sun City West, Arizona 85375 WS-01303A-02-0867 WS-01303A-02-0868 WS-01303A-02-0869 WS-01303A-02-0870 W-01303A-02-0908

Re: Arizona-American Water Rate Case

Dear Mr. Dansby:

Thank you for your letter expressing your view on the Arizona-American Water rate case.

Arizona-American filed its Application seeking a rate increase in November 2002. The evidentiary record is still being developed. This is a lengthy process which will take about a year to conclude. In the meantime, Arizona-American's current rates will remain in effect.

To develop the record, Arizona-American, the Commission staff and any Intervenors will submit written testimony regarding their positions on the requested rate increase. Then, an administrative law judge will preside over a hearing which is much like a trial. This hearing is scheduled for December 4, 2003, at 10:00 a.m. at the Commission's offices. This hearing is open to the public. You may also call the Commission's "Listen Line" to listen to the hearing. That phone number is (602) 542-0222 or 1-800-222-7000. After the hearing, the judge will write a proposed Order making a recommendation to the Commission as to Arizona-American's rates. Finally, after reviewing the entire record, the Commissioners will vote to accept, modify or deny the judge's proposed Order at an Open Meeting.

You ask several good questions regarding how the utility provides safe and reliable water service to its ratepayers. The answers can be found in the voluminous filings made in this docket. All records are available for public inspection. In summary, I can tell you that the Sun City West water system serves over 15,000 customers with water from wells. At this time, filings show the system is in compliance with Commission and Department of Environmental Quality rules. These rules set standards the utility must meet with regard to water quality, water pressure, etc.

Your correspondence has been placed on file with Docket Control and will become part of the record. Arizona is well served when its residents take an interest in a matter and voice their opinions. I will take your comments into consideration as I review the matter.

Sincerely,

Mike Gleason Commissioner Arizona Corporation Commission

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